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SUBJECT: UN BUDGET: SECRETARY-GENERAL REQUESTS FUNDING TO
RENOVATE HIS RESIDENCE

¶1. In coming weeks, the Fifth Committee will consider the
Secretary-General's proposal of a renovation to his residence

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in order to bring it up to modern safety and construction
codes. In his report to the General Assembly, he notes the
malfunctions and life safety concerns associated with the
current structure (A/61/377). The Secretary-General requests
the General Assembly to approve this renovation, which would
begin in January 2007, and provide him with commitment
authority of up to \$4,490,400 under the 2006-2007 program
budget. Of this amount, \$202,500 relates to the cost of
temporary accommodation for the incoming Secretary-General,
who will be displaced until September 2007, when the
renovation is expected to be complete.

¶2. The ACABQ has concurred with the Secretary-General's
request for commitment authority, but also strongly suggests
that this amount be absorbed within the approved program
budget for the biennium (A/61/523). The Advisory Committee
also calls for strict adherence to the proposed timetable for
the renovation and recommends that contracts entered into for
this renovation stipulate that the UN would not be
responsible for any additional costs incurred as a result of
delays by the contractor(s). The report also makes reference
to the ongoing discussions between the UN and the United
States regarding the fourth supplemental Headquarters
Agreement and the proposed inclusion of the SG's residence in
this agreement.

¶3. COMMENT: The report notes that the concerns highlighted
in this report have been ongoing for at least the last
fifteen years. The need to renovate the residence, having
been known at the time the Secretary-General proposed the
budget for the biennium 2006-2007, should have been included
in his proposal, an issue that was also raised by the ACABQ
in its report. USUN intends to follow up on this issue
during informal consultations. Unless otherwise instructed,
USUN will support the Secretary-General's request to proceed
with the renovation, but only after the Secretariat clearly
identifies how the proposed costs will be absorbed within
Sections 32 (construction and maintenance) and 1 (overall
policymaking-SG's temporary accommodations), pursuant to
ACABQ's recommendation. END COMMENT.

BOLTON